

PX 34

Message

From: Brad Garlinghouse [redacted]@ripple.com]
on behalf of Brad Garlinghouse [redacted]@ripple.com > [redacted]@ripple.com]
Sent: 4/30/2018 8:53:47 PM
To: Ethan Beard [Ethan Beard [redacted]]
Subject: Re: moving the ball forward

Hey Ethan,

I'm not sure these are up to date (and did not re-read to audit) but figured this would be helpful as some of the foundational planning from January.

On next steps:

- 1) I'm flying home from NY (private) on Friday morning. If you are flexible and would like to join, you are certainly invited. (My dad and my brother are going to be with me from NYC to Kansas City)
- 2) regardless of #1 - let's have you back in ASAP. Next Monday?

Project Lotus: FAQ

Mandate

What is the objective of Project Lotus?

The objective of Project Lotus is to increase the liquidity and velocity of XRP. The initiative will work to identify and support use cases for XRP beyond cross border payments that will establish XRP as the transactional utility for the internet.

What is the scope of Project Lotus?

Project Lotus is a venture-style partnership effort, focused on the transactional use of XRP in new verticals that are not payments between banks and payment companies.

How will we measure success and be accountable?

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- Use cases for XRP
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- Businesses / developers / applications using XRP
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- Transaction volume through XRP

Why are we doing this? Why are we doing this now?

Our vision for XRP is ambitious. We want XRP to be the transactional utility for the Internet of Value. This will require more creative thinking and hard work beyond Ripple's four walls and include an entire ecosystem of entrepreneurs, developers and businesses. With newfound liquidity for our XRP holdings, it's the right time to aggressively encourage the growth of new businesses and use cases for XRP alongside RippleNet.

Does this signal that we don't have as much faith in our past "singular focus" on cross border payments? Are we pivoting?

No, 99% of Ripple's resources will continue to focus on building the cross-border payments business. Payments are highly strategic longer term as it inserts XRP into the deepest pools of liquidity. If we keep executing, Ripple is in the strongest position in our space to deliver the most value and win.

Go to Market

What will be our approach for going to market?

Project Lotus will seek to position XRP as a 'utility token' for select sectors and a primary source of liquidity for other utility tokens through a venture capital thesis-driven approach.

What kind of deals will Project Lotus execute?

Project Lotus will incubate, invest, acquire and partner.

How many use cases do we expect to fund or incubate this year?

To be determined but in the range of 5-10.

Resourcing

Who is joining Project Lotus?

Patrick, [REDACTED] and [REDACTED] will be full time on Project Lotus. Will likely add new team member after locking down '18 budget details.

How will we be organized?

A small team responsible for managing the success of Project Lotus as a whole. Primary responsibilities will be strategy, deal identification and deal execution. Team will be organized by sector focus.

How much money are we allocating to these new partnerships/investments?

We'll allocate what makes sense given the opportunities at hand, with oversight from a deal review committee. We will seek budget for discretionary funds for smaller deals.

What does incubation look like?

We fund a small team with capital. Once the entrepreneur has a business model, clear set of milestones, and a budget, Project Lotus will provide a capital outlay to make the company independent. It is the responsibility of the entrepreneur to secure further capital as needed; Project Lotus will not be required to support the new enterprise after the initial outlay.

Transition of Ripple BD Team

What happens to the current BD team?

All strategic partnerships for payments that are not corp dev will continue to be managed by [REDACTED] (MGI).
[REDACTED] Corp dev deals will continue to be managed by [REDACTED] (MGI).

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- [REDACTED] RippleNet Partnerships, reporting to [REDACTED] for now.
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- Miguel, [REDACTED] Dinuka: XRP Market Infrastructure, reporting to Ron for now.
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- [REDACTED] Corp Dev for RippleNet, reporting to Ron for now.
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- [REDACTED] Director, reporting to [REDACTED] going forward.

How will we backfill Patrick's position? Will the org chart go back to the way it was or can we expect some of these moves to be permanent?

Hiring a head of partnerships. It is expected that the org structure will revert back except for [REDACTED] who will continue to report to [REDACTED]. However, there is a potential for [REDACTED] to stay in the Finance department with Ron Will.

Relationship with Ripple

Will the establishment of Lotus be a distraction, taking attention and resources away from Ripple's core cross-border payment objective?

We believe in the cross-border opportunity more than ever and are making it a priority to establish Lotus in a way that does not dilute that effort.

What's the relationship between Project Lotus and other functional groups?

Project Lotus will be a separate effort that will borrow resources from Ripple groups on a limited basis (e.g., Legal, Marketing), but we'll monitor and staff Lotus with 'dedicated' resources if/when appropriate.

How will we make sure Project Lotus does not impact the Ripple brand?

Project Lotus will have a separate brand. Team Marketing will support the branding effort to ensure the Ripple brand is unaffected.

What kind of oversight will Ripple have over Project Lotus?

Project Lotus will convene a dedicated biweekly deal review committee (separate from the existing deal review team) where Brad and Ron are the key decision makers with additional stakeholder participation from a subset of leadership: Monica, Asheesh, [REDACTED]

Will Patrick continue to participate in Weekly Leadership?

Patrick will be in the Leadership meetings to provide a 'BD perspective' but long term will phase out of weekly attendance, likely during Q2.

Product and Technical Support

Are there any product needs to support deals coming out of Project Lotus?

No. Out of the gates, Project Lotus will prioritize deals to provide developers standardized and easy access to the XRP Ledger. Product resourcing will be evaluated on an as-needed basis.

On Mon, Apr 30, 2018 at 4:57 PM, Ethan Beard [REDACTED] wrote:

Yes - call anytime. I may be doing bedtime so if I don't pickup I'll call you back shortly.

Thanks!

On Mon, Apr 30, 2018 at 4:52 PM Brad Garlinghouse [REDACTED]@ripple.com> wrote:

Thanks Ethan! I have a work event tonight til about 8pm. Can I call you on my drive home? Will look for various notes / emails I can forward your way in the mean time

On Mon, Apr 30, 2018 at 4:37 PM, Ethan Beard [REDACTED] > wrote:

Hey Brad,

Great seeing you as always.

Each time I learn more or have another conversation about what you're up to at Ripple the more I believe that you're on to a huge opportunity. Not without its challenges but it has serious potential. I'm definitely very interested in continuing the conversation if you are.

A couple of thoughts:

a/ If you can send any info/outline/deck about how you're thinking about the platform that would be great. I will of course keep it strictly to myself.

b/ How serious are you about wanting to have something locked in by 5/14? It's obviously very soon and there's a bunch of details we'd need to sort but it's not unfeasible on my side if it is important.

c/ What are next steps if we want to move things forward?

Best,

Ethan